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TO RUEHC/SECSTATE WASHDC PRIORITY 9452
INFO RUEHAC/AMEMBASSY ASUNCION 5895
RUEHBO/AMEMBASSY BOGOTA 3207
RUEHBR/AMEMBASSY BRASILIA 7056
RUEHBU/AMEMBASSY BUENOS AIRES 4310
RUEHCV/AMEMBASSY CARACAS 1603
RUEHPE/AMEMBASSY LIMA 1595
RUEHMN/AMEMBASSY MONTEVIDEO 3823
RUEHQD/AMEMBASSY QUITO 4237
RUEHSG/AMEMBASSY SANTIAGO 8783
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STATE FOR WHA/AND

E.O. 12958: N/A

TAGS: PGOV PREL ECON BL

SUBJECT: MORALES ISSUED LAND DECREES WITHOUT PROMISED
CONSENSUS

REF: LA PAZ 1337

¶1. (U) Despite his May 18 decision not to promulgate executive decrees redistributing land without consensus, President Morales issued seven decrees on June 3 after negotiations with Santa Cruz agricultural and business representatives broke down June 2. The GOB will redistribute 2.2 million hectares of government lands and give title to 3.1 million hectares of "unproductive" large landholdings to indigenous communities in Pando, Beni, Santa Cruz and Tarija.

Morales has called the measures an "agrarian revolution," in which land will be given to indigenous who do not own land or who own "insufficient" land, and to those who work the land. In an effort to avoid mistakes made during the 1950's land reform, the GOB will give farmers seeds, tools (including ten tractors for each municipality), and financial assistance and attempt to secure markets for goods produced by small and medium farmers.

¶2. (U) Santa Cruz officials have decried Morales' land decrees, accusing Morales of politicizing the land issue for his own political gain in the Constituent Assembly and of revealing his authoritarian tendencies. Morales, in turn, accused Santa Cruz representatives of breaking off the dialogue; the press reported that the Agricultural Chamber of Eastern Bolivia (CAO) and the Chamber of Industry and Commerce (CAINCO) heard rumors during negotiations that Vice President Garcia Linera planned to issue the decrees on June 3, which they viewed as negotiating in bad faith.

¶3. (SBU) Comment: Notwithstanding Morales' bump in popularity following the May 1 hydrocarbons nationalization, a general apathy toward the Constituent Assembly had settled in among voters, particularly among the indigenous/rural population. With his land decrees, Morales has again generated some enthusiasm for his political project. For the moment, the indigenous are elated. End comment.

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